

NEWS

STATE OF NEW JERSEY
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FOR IMMEDIATE RELEASE

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FOR MORE INFORMATION

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NEWARK - Human Services Commissioner Drew Altman and Community Affairs Commissioner Anthony Villane today broke ground for Harmony House, a transitional housing project for homeless families, and announced a two-year \$22 million plan to get families out of welfare motels and into quality transitional housing.

The 102-unit Harmony House located at South Orange and Littleton avenues in Newark is the first transitional facility for the homeless in New Jersey and a key component of the Family Shelter Strategy detailed today by Villane and Altman. It will be built and operated as a partnership among government, business and community groups.

The total costs of the facility will be \$4 million for capital construction and \$1.75 million in annual operating expenses.

"This transitional housing will help hundreds of homeless people find a better quality of life," Villane said. "Transitional housing is a special and different approach to assist the homeless achieve self-sufficiency. It

is a model for a new family shelter strategy being formulated by the Human Services and Community Affairs departments."

"Harmony House and the Family Shelter Strategy are vital pieces of our three-year plan to get out of the welfare motels," Altman said. "They represent a more sensible and compassionate response to the problem of homelessness."

The Family Shelter Strategy is a cooperative effort by the two departments to pool their resources for homeless services to expand family shelters, build transitional housing and provide on-site social services to help families move on to permanent housing and better lives.

The Department of Human Services will contribute some \$15.6 million and the Department of Community Affairs will contribute \$6.3 million during the next two years for the plan.

The Department of Community Affairs will provide funding for construction and renovation, while the Department of Human Services will provide operational support to the projects and underwrite the cost of on-site social services. The social service supports include case management by social workers, child care, assistance with housing search and employment and educational counseling.

The plan calls for creation of 782 family shelter beds by July 1990; construction of 180 transitional housing units including the 102 at Newark's Harmony House.; and renovation

of 150 currently vacant units of federally-subsidized housing. In addition, the state will make available 220 rental vouchers and lease 108 transitional apartments.

"There are more efficient and creative ways to help homeless families than simply paying as much as \$2,300 a month for a motel room," Villane said. "We know the needs of homeless families do not stop at the boundaries of a state agency, and that is why this joint effort with the Department of Human Services is so essential."

"For the first time, our two agencies are working together to address this problem," Altman said. "No one agency can do the job alone. Bringing construction and renovation together with operational support and social services is the only sensible way to address the problems of homeless families."

Harmony House is a key element of the Family Shelter Strategy, and was made possible by the commitment of several businesses and New Community Corporation, a Newark-based community development agency that will operate the facility. Other sponsors are Hartz Mountain Industries Inc., the Mutual Benefit Life Insurance Co., the Leonard N. Stern Foundation and the Essex County Department of Citizens Services.

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FAMILY SHELTER STRATEGY

DEPARTMENT OF HUMAN SERVICES - DEPARTMENT OF COMMUNITY AFFAIRS

The Family Shelter Strategy is the first step in a major reform of New Jersey's approach to serving homeless families.

The goal is the elimination in 3 years of the use of welfare motels to house homeless families. The alternative housing arrangements developed under this initiative will include on-site services to help a family move on to permanent housing and independent living.

- FINANCE CONSTRUCTION OF 782 FAMILY SHELTER BEDS

DHS	\$5.6 MILLION
DCA	\$2.0 MILLION

- SOCIAL SERVICES SUPPORTS IN TRANSITIONAL AND EMERGENCY HOUSING

DHS	\$4.6 MILLION
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- DEVELOP AND SUPPORT 180 UNITS OF TRANSITIONAL HOUSING

DHS	\$2.6 MILLION
DCA	\$1.5 MILLION

- RENOVATE AND SUPPORT 150 VACANT UNITS OF FEDERALLY SUBSIDIZED HOUSING

DHS	\$2.2 MILLION
DCA	\$1.1 MILLION

- PROVIDE 220 SECTION 8 RENTAL VOUCHERS TO AFDC FAMILIES

DCA	\$1.3 MILLION
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- LEASE AND SUPPORT 108 TRANSITIONAL APARTMENTS

DHS	\$648,000
DCA	\$454,000

HARMONY HOUSE
TRANSITIONAL HOUSING FOR HOMELESS FAMILIES

FACT SHEET

NUMBER OF UNITS: 102
BUILDER: HART MOUNTAIN INDUSTRIES
OPERATOR: NEW COMMUNITIES CORPORATION

COSTS:

CONSTRUCTION: \$4 MILLION
START-UP \$300,000
OPERATIONS: \$1.75 MILLION PER YEAR

PARTICIPANTS:

CONSTRUCTION:
HARTZ MOUNTAIN INDUSTRIES: CONSTRUCT FACILITY "AT COST";
WILL INITIALLY PAY FOR
CONSTRUCTION AND BE REIMBURSED
LATER.

DEPARTMENT OF COMMUNITY AFFAIRS: \$1 MILLION

START-UP:
LEONARD STERN FOUNDATION: \$200,000

DEPARTMENT OF COMMUNITY
AFFAIRS \$100,000

OPERATIONS (ANNUAL COST):
DEPARTMENT OF HUMAN
SERVICES \$1.1 MILLION

DEPARTMENT OF COMMUNITY
AFFAIRS \$200,000

ESSEX COUNTY: \$240,000
RESIDENTS: \$200,000